

# **EXHIBIT C**

**Proceedings**

2415

1 much worse.

2 THE WITNESS: Much worse.

3 THE COURT: Would anybody else like to question the  
4 witness, either from the defense or the Attorney General?

5 MR. KISE: No, Your Honor.

6 MS. HABBA: No, Your Honor.

7 THE COURT: The witness is excused. I have no  
8 further questions. Thank you.

9 THE WITNESS: Thank you, sir.

10 (Whereupon, the witness is excused from the witness  
11 stand.)

12 THE COURT: Thank you.

13 As the trier of fact, I find that the witness is  
14 not credible; that he was referring to my law clerk, who is  
15 principal law clerk, who is sitting much closer to me, who  
16 doesn't have a barrier, whom I believe has been accused by  
17 the defendant of being partisan or Democrat or partisan  
18 Democrat. I hereby fine you \$10,000, which is on the low  
19 side, to be paid within 30 days to the Lawyer's Fund for  
20 Client Protection.

21 Would anybody like to say anything else?

22 MR. KISE: Your Honor, I would just object to that.  
23 I mean, there is one witness on the stand, the only witness  
24 on the stand. There is no evidence to the contrary other  
25 than in your mind and I don't want to go to a place where I

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1 Q So this statement was prepared in a manner that you  
2 agree with; that you think was appropriate?

3 A That was fine. It was fine. I didn't go into great  
4 detail on it, but it was fine.

5 Q If anything, you think the statement under valued your  
6 assets; is that correct?

7 A Well, I do by a substantial amount. It was the  
8 opposite of your case your case. Your case was that I had no  
9 money at all. I mean, looking at this year, what could I have  
10 300-some-odd million dollars based on just saw -- 300 -- let me  
11 look. But, you know, you sued me on the basis that Trump had no  
12 money and he wrote up phony statements and defrauded banks even  
13 though they were represented by the biggest law firms in the  
14 world and the most sophisticated and best lawyers, and even  
15 though these banks were paid back in full, there was no harm;  
16 there was no anything. Everybody got their money in full; there  
17 was no victim. And then you are saying, I deferred it. The  
18 banks don't even know what they are doing in this case. They  
19 said you paid us back.

20 MR. WALLACE: Your Honor, I move to strike that  
21 answer.

22 THE COURT: Granted.

23 Mr. Kise, can you control your client. This is not  
24 a political rally. This is a courtroom with a case about  
25 Executive Law section 6312. I've asked several times, asked

**D. J. Trump - by Plaintiff - Direct (Mr. Wallace)**

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1                   the witness several times to answer the questions. I don't  
2                   want editorializing. We'll be here forever and we'll  
3                   accomplish nothing. Maybe you should have a talk with him  
4                   right now.

5                   MR. KISE: Your Honor, I'll do as you instruct.  
6                   You are in control of the courtroom, not me, and I don't  
7                   mean that disrespectfully. Truly, I don't, but I'm happy to  
8                   do as you instruct. Again, we are dealing with an  
9                   extraordinarily unusual situation here.

10                  THE COURT: "Again" is a bad word.

11                  MR. KISE: I know it is.

12                  THE COURT: I know --

13                  MR. KISE: It's part of the record.

14                  THE COURT: -- it's an extraordinary situation.

15                  MR. KISE: It's an extraordinary situation. It  
16                  would be most efficient, ultimately, to allow the  
17                  explanations. It's a bench trial.

18                  THE COURT: I disagree. Talk to your client for a  
19                  minute.

20                  MR. KISE: Okay. Then should we take our  
21                  ten-minute break. And I can't to do it here.

22                  THE COURT: No. Do you want to go in the back?

23                  MR. KISE: If we are going to have a conversation,  
24                  I would ask your Honor to give us a ten-minute break.

25                  THE COURT: Will you spend the ten minutes in the

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1 back explaining the rules here.

2 MR. KISE: I think the former and again soon to be  
3 chief executive of the United States understands the rules.

4 THE COURT: He doesn't abide by them.

5 MR. KISE: I'm happy to do as you instruct. Again,  
6 I think Mr. Wallace's questions still are very broad  
7 questions. They do call -- in some sort of senses they call  
8 for narratives, so.

9 MR. WALLACE: I'm happy to restate my last  
10 question, your Honor, and see if we could proceed.

11 Q The last question was, if anything, do you think the  
12 statement under valued your assets; is that correct?

13 A Yes, by a lot. The financial statements.

14 Q The financial statements.

15 A Yes.

16 Q Would you discuss the valuation of individual  
17 properties with Mr. Weisselberg and Mr. McConney?

18 A On occasion. If I disagreed.

19 Q Do you recall discussing with Mr. Weisselberg and  
20 Mr. McConney the valuation of Mar-a-Lago?

21 A No.

22 Q Would they ever ask your opinion about the valuation of  
23 40 Wall Street?

24 A They might, yes.

25 Q Seven Springs?

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1           Again, 57th Street. You have Tiffany, IBM, and you  
2 have my building right in the middle of them. And if they want  
3 to expand anywhere, they have to go through my building. And I  
4 bought the air rights --

5           THE COURT: Hold on.

6       A     Excuse me. I bought the air rights over Tiffany, so  
7 they can't go up.

8           THE COURT: In addition to the answers being  
9 nonresponsive, they are repetitive, and we don't have time  
10 to waste. We have one day with this witness.

11          Mr. Kise, can you control your witness, because I  
12 am considering drawing a negative inference to any questions  
13 that might be asked.

14          MR. KISE: Well, I would urge your Honor not to  
15 draw the negative inferences. We have a record on that,  
16 which I won't go into, but I think the witness is doing his  
17 best to answer the questions and be as responsive as  
18 possible.

19          If you think that it would be beneficial for us to  
20 take a break, I'm happy to do that. This is your Honor's  
21 courtroom, so I'll do as you suggest. But, again, there --  
22 the questions are calling, maybe not as broadly as the  
23 answer, but they are not tight questions. I mean, we are  
24 seeing "why" questions; we are seeing "how" questions. I  
25 mean, this is not one someone who is a professional lawyer

**D. J. Trump - by Plaintiff - Direct (Mr. Wallace)**

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1 over the next page we'll see the valuation for 40 Wall Street.  
2 The top paragraph states "The estimated current value of  
3 \$550,100,000 is based upon a successful renegotiation of the  
4 ground lease and an evaluation made by Mr. Trump in conjunction  
5 with his associates and outside professionals of leases that  
6 have been signed or are currently the subject of negotiation.  
7 And a capitalization rate applied to the resultant cash flow to  
8 be derived from the building's operations."

9                   Do you believe that statement I just read is true and  
10 accurate?

11                  A     I don't believe -- it depends on how you look at it,  
12 but I don't believe it talks about the making of the building  
13 the condominium, a residential condominium, which is absolutely  
14 a perfect use for that building.

15                  Q     My question is --

16                  A     Even though it's full.

17                  Q     -- is this statement true and accurate?

18                  A     Well, let's see. So number one, you -- again, you go  
19 back a long time. Are you still in 2014.

20                  Q     We are still on the 2014 statement.

21                  A     Five-year statute of limitations. You are still in  
22 2014. So, it says here based upon successful renegotiation of  
23 the ground lease. Well, that was done. I did that. I made a  
24 new 100-year lease, and a very good lease, and long term, very  
25 long term. I got a "lollipop" in the lease. It's a legal term,

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1 believe it or not, but it's a lollipop, which allows you to  
2 build condominiums because you own the land. You own a piece of  
3 land. That gives you the right to build condominiums. So this  
4 would be a low number, because the highest and best use for that  
5 building is the -- it's -- I think it's the tallest building in  
6 downtown after the World Trade Center, but there's a dispute  
7 about 60 Pine Street, but, whatever.

8 The tower is of perfect measurement for turning them  
9 into condos. And I have the right to do that, and at some point  
10 we, or somebody, will do that. That's the highest and best use.  
11 In which case, \$550 million is a very low number. All you have  
12 do is look at a picture of the building and say "That  
13 building" -- you just look at it and you say that's worth a lot  
14 more than \$550 million. If you want to put up the picture.

15 Q My question is --

16 THE COURT: Mr. Kise, that was a simple yes or no  
17 question. I don't have it right in front of me, but the  
18 question was whether he believed that was an accurate  
19 number. We got another speech. I would beseech you to  
20 control him if you can. If you can't, I will. I will  
21 excuse him and draw every negative inference that I can. Do  
22 you understand that?

23 MR. KISE: I certainly understand, your Honor. But  
24 I will say this: The purpose of this trial is to determine  
25 the veracity of the Statement of Financial Condition, in

**D. J. Trump - by Plaintiff - Direct (Mr. Wallace)**

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1 part, to figure out whether there is intent, so I would  
2 think, respectfully, your Honor, of all witnesses, would  
3 want to hear everything that this witness has to say by  
4 way --

5 THE COURT: No, I do not want to hear everything  
6 this witness has to say. He has a lot to say that has  
7 nothing to do with the case or the questions.

8 MR. KISE: Again, your Honor, I will -- I have to  
9 say that you're determining what's going to happen here. So  
10 I would urge the Court to take in all the information  
11 possible, including what this witness has to say about the  
12 numbers on the statement, what he did, why he did it. I  
13 mean, all of those circumstances. Do we really want to come  
14 back here in a few weeks and go through it that way?

15 I mean, with this witness I would suggest it's far  
16 more efficient to listen to what he has to say and take it  
17 in, and then you have an understanding of what he has to  
18 say. And I don't think it's fair to draw a negative  
19 inference based on his explanations simply because he wants  
20 to explain why he got to where he was. We are talking about  
21 ten years ago.

22 And so I, ordinarily with a witness, you might  
23 think differently, but this is a situation where you have,  
24 on the stand, a candidate for presidency of the United  
25 States. Having him here takes away from that effort. And

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1           It's not that simple, and you are here to hear what he has  
2           to say.

3           THE COURT: No, I'm not here to hear what he has to  
4           say.

5           MS. HABBA: Thank you.

6           THE COURT: I'm here to hear him answer questions.  
7           Sit down already. Mr. Kise, Mrs. Habba, sit down.

8           Mr. Wallace, continue.

9           THE WITNESS: This is a very unfair trial, very,  
10          very. And I hope the public is watching it.

11          Q        Mr. Trump, was the valuation presented here based on  
12          leases and capitalization rates true and accurate to your  
13          belief?

14          A        It could be, but again, what I told you is a building  
15          has many different forms of value. And this building, the most  
16          valuable -- the most valuable asset here is making it into  
17          condominiums. That would be -- it will happen as soon as  
18          interest rates go down and as soon as the City maybe comes back.  
19          It would be nice if it came back; wouldn't it?

20                 But the value of this is -- the big value of this is  
21          making it into a condominium, residential condominium.

22          Q        Could we put up --

23          A        It would be one of the biggest jobs in the City.

24          MR. WALLACE: Could we put up Plaintiff's  
25          Exhibit 635. It's already in evidence, but I have an extra

**D. J. Trump - by Plaintiff - Direct (Mr. Wallace)**

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1       circumstances. It's a brilliant answer to the question. So  
2       Mr. Wallace can't pick and choose which narratives he likes  
3       and which narratives he doesn't. We could come back here in  
4       two or three weeks and go through the same charade and ask  
5       the same question get it out, but as I said, it's far more  
6       effective to allow this witness to explain his position and  
7       explain to the court his view, what he intended, how he  
8       intended it, what was happening, and how he views the  
9       statements.

10                   MR. WALLACE: The response is even longer than the  
11       statement I asked to strike, so at this point let's leave it  
12       in then.

13                   THE COURT: Leave it in. There's no jury. It  
14       doesn't matter.

15                   MR. WALLACE: We'll, leave it in.

16       Q       Mr. Trump, I think you said this in the course of your  
17       answers. Let me just try to clarify this. You do not agree  
18       with the position of the Office of the Attorney General that the  
19       values in the Statement of Financial Condition are overstated;  
20       is that correct?

21       A       I think she's a political hack.

22       Q       That's not the question.

23       A       And I think she --

24       Q       That's not the question.

25       A       -- used this case to try to become Governor, and she

**D. J. Trump - by Plaintiff - Direct (Mr. Wallace)**

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1 successfully used it to become Attorney General. And I think  
2 she's a political hack, and this a disgrace that a case like  
3 this is going on. And all you have to do is read the legal  
4 scholars and the papers and you'll see exactly what I'm saying.  
5 And a lot of them didn't even know how valuable the properties  
6 were. You never said Trump has three and \$400 million cash, and  
7 now more than that. This is a political witch-hunt, and I think  
8 she should be ashamed of herself.

9 Q You do not agree with the position of the Office of the  
10 Attorney General that the values in the Statement of Financial  
11 Condition are overstated; is that correct?

12 A The overall value is billions of dollars more than is  
13 in these statements. So that when a bank gets them, the bank is  
14 seeing a conservative statement, not a -- she tried to make you  
15 believe, even yesterday, she's out there saying, "Oh, fraud.  
16 Fraud. This is the opposite. Fraud."

17 The fraud is her where she says Mar-a-Lago -- she said  
18 it was worth \$25 million. He said it's worth \$18 million  
19 (indicating), \$18 million. She said it's \$25 million. She  
20 convinced him that it was worth \$18 million. And it's worth a  
21 billion dollars, or something like that.

22 Q Yes or no.

23 A It's a disgrace.

24 Q Yes or no, do you agree with the position of the Office  
25 of the Attorney General that the values in the Statement of

**D. J. Trump - by Plaintiff - Direct (Mr. Wallace)**

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1 Financial Condition are overstated?

2 MS. HABBA: Asked and answered.

3 MR. WALLACE: It has not.

4 THE COURT: No, it has not been asked and answered.

5 MS. HABBA: He actually did the --

6 THE COURT: It's been asked. He hasn't answered.

7 MS. HABBA: Your Honor, I'm not screaming. All do  
8 respect, your Honor, I don't appreciate when people scream.

9 The overall value is billions more was the answer.

10 That's his answer. You could read it in the record.

11 THE COURT: It's a yes or no question.

12 Q Just yes or no, Mr. Trump. Do you agree with the  
13 statement, the position of the Office of the Attorney General is  
14 the values are overstated?

15 A The financial statements are very conservative. The  
16 overall number of value is much higher than the number in the  
17 financial statements. In addition to that, you have a  
18 hundred percent disclaimer clause that goes on for a page and a  
19 half.

20 THE COURT: No, no, no. We are not going to hear  
21 about the disclaimer clause. If you want to know --

22 A It's very important.

23 THE COURT: -- about the disclaimer clause, read my  
24 opinion again, or for the first time, perhaps.

25 THE WITNESS: Well, you are wrong on the opinion.

**D. J. Trump - by Plaintiff - Direct (Mr. Wallace)**

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1 Q Mr. Trump, let's go to that then. Mr. Trump, you do  
2 not agree with the determination of the Court in its summary  
3 judgment decision that the Statements of Financial Condition  
4 were misleading; is that correct?

5 A He ruled against me without knowing anything about me.  
6 He ruled against me and he said I was a fraud before he knew  
7 anything about me, nothing about me.

8 And then he said in his statement that Mar-a-Lago is  
9 worth \$18 million and it's worth 50 times to 100 times more than  
10 that, and everybody knows it. And everybody is watching this  
11 case. He called me a fraud and he didn't know anything about  
12 me.

13 Q You did not -- so I think the essence of your answer is  
14 there, but I would like to get it as a yes or no. You do not  
15 agree with the determination of this Court in its summary  
16 judgment decision that the Statements of Financial Condition  
17 were misleading; is that correct?

18 A I think it's fraudulent, the decision. I think it's  
19 fraudulent. The fraud is on the Court, not on me. When you  
20 rule that Mar-a-Lago is worth \$18 million, I could give you a  
21 quarter of a tennis court would be worth that.

22 When you rule that Mar-a-Lago is worth \$18 million and  
23 then she rules it's worth \$25 million, either people are very  
24 stupid or there's a fraud. The fraud is on behalf of the Court,  
25 because when the Court does that, and then they say I didn't

**D. J. Trump - by Plaintiff - Direct (Mr. Wallace)**

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1 value my property correct? Think of it, \$18 million, he said.  
2 And then he -- he says that I'm a fraud because I didn't value  
3 my property correctly? He is the one that didn't value the  
4 property correctly.

5 Q Mr. Trump --

6 A And how do you do that? How do you rule against  
7 somebody and call them a fraud, as the President of the United  
8 States, who did a great job. All you have to look at is the  
9 President today. What he is doing? How do you call a man a  
10 fraud when you have a property that's a 50 to 100 times more  
11 valuable. It's a terrible thing you did. You knew nothing  
12 about me. You believed this political hack back there, and  
13 that's unfortunate.

14 Q Are you done?

15 A Done.

16 Q Okay. I'll take you up on one of the invitations. You  
17 are talking about the \$18 million valuation versus the higher  
18 valuation of Mar-a-Lago. Which one are you paying taxes on down  
19 in Florida?

20 A Which one, what?

21 Q Are you paying taxes on an \$18 million valuation of  
22 Mar-a-Lago or \$1.5 billion?

23 A You know that assessments are totally different from  
24 the valuation of property. An assessment -- as an example in  
25 New York. You sell a building, a building was recently sold for

**D. J. Trump - by Plaintiff - Direct (Mr. Wallace)**

3614

1 Q Do you believe you complied with this covenant?

2 A Oh, yes, absolutely.

3 Q Let's look at the next paragraph.

4 A Again, the net worth of me was far greater than the  
5 financial statements, far greater. So I don't know what you are  
6 getting at, but keep going.

7 Q When you say "far greater", are you referring to the  
8 brand value that you have?

9 A I'm talking about -- no, but we can add that, too. If  
10 you add the brand value, which I didn't even put down on my  
11 financial statements, then you are talking about a tremendous  
12 difference, tremendous difference. But, no, just even without  
13 it. But with it, and it should be a part of it -- brand value  
14 should be a part of it. It's -- in either event, it's more.

15 Q Just --

16 A The brand value is a very substantial value.

17 Q I just want --

18 A And I didn't even include that in the financial  
19 statements, but I could've if I wanted to. If I was looking to  
20 build up a financial statement, I would have put it in, but I  
21 wasn't looking to do that.

22 Q I'm just trying to make sure I understand that. Your  
23 position is that the assets listed on your Statement of  
24 Financial Condition were worth more than the prices that were on  
25 those statements; is that what you are saying?

1       A     As a -- yes. As a total, some are much more, some may  
2 have made a mistake and it was corrected. Like on the apartment  
3 if they made a mistake, and of course this is way before that,  
4 because you are going back into ancient history. I don't know  
5 how it doesn't involve a five-year statute of limitations. It  
6 seems ridiculous to me. It seems extremely unfair to me, but  
7 that's okay; that's the way it's been working in this one.

8              I will tell you that the numbers are far greater than  
9 the two and a half billion dollars. And if I add brand value,  
10 then it's different from a different -- but in any event, the  
11 numbers of my net worth are substantially more than the numbers  
12 reflected on the financial statements, therefore, you have no  
13 case.

14       Q     Um --

15       A     In addition to that -- no. In addition to that, in  
16 addition to that, you have a clause that goes on forever, I  
17 think a page and a half, and all throughout, and that clause, as  
18 we've discussed quite a bit, tells the lender of this money to  
19 go out and do your own work, do your own statement, do  
20 everything your own. Go out and hire your own analysts, and all  
21 of the things that, you know, that you didn't read today. You  
22 read one part of it, but you didn't read the part that  
23 supersedes everything else. But it says, "Do your own due  
24 diligence." And I think a lot of people have figured that out  
25 today.

**D. J. Trump - by Plaintiff - Direct(Wallace)**

3627

1 would like to go through it one more time. Do you believe any  
2 of the Statements of Financial Condition that have been  
3 prepared in your name inflated your net worth?

4 A So --

5 MS. HABBA: I am sorry, I couldn't hear you.

6 A Again, we have a very complicated, many transaction,  
7 many, many, many-pages document. The overall number is  
8 somewhere much higher. And some are a little bit lower or not  
9 materially lower. But the overall net is that we are much,  
10 much higher, much, much higher than the document -- the  
11 document submitted.

12 When you add the net worth you are talking about  
13 many, many millions of dollars more than that. And we didn't  
14 do that. If we wanted to build up a net worth all I would have  
15 had to do is add that, because that number would be very  
16 substantial, very, very substantial. So I don't believe  
17 that --

18 I think this case is a disgrace. I think it is a  
19 disgrace for people looking to move their business into New  
20 York or out of New York. Many people are leaving New York  
21 because of exactly this kind of a thing. We had banks that got  
22 their money back. We had insurance companies that got their  
23 money back. We had no complaints. The only complainant is  
24 you. And with everybody being killed on the streets and  
25 murdered on the streets of New York and you have an Attorney

mlp

**D. J. Trump - by Plaintiff - Direct(Wallace)**

3628

1 General sitting here all day long watching every little move, I  
2 think it is a disgrace. And people are leaving New York. And  
3 they are fleeing the City. And it is a shame what is going on.

4 And we sit here all day, and it is election  
5 interference because you want to keep me in this courthouse all  
6 day long, and let's keep going.

7 And we have a very hostile Judge, extremely hostile  
8 Judge, and it is sad.

9 I don't have a jury and I want a jury. And I don't  
10 have a jury because she sued me under a statute that doesn't  
11 allow a jury, and I think it is a disgrace. And other people  
12 are saying the same thing. Legal scholars are saying it is the  
13 most unfair witch hunt they have ever seen.

14 And you should be ashamed of yourself.

15 Go ahead.

16 Q I promise you, Mr. Trump, I am trying to get you off  
17 the stand.

18 A That's great. I am sure you are.

19 THE COURT: Mr. Wallace, this morning I said I  
20 am following your lead in terms of how much you want to  
21 put up with this stuff.

22 MR. WALLACE: I promise you, Your Honor, we are  
23 very close to the end.

24 Q And we almost got there, Mr. Trump.

25 But I believe your position is that you do not